



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent of:
John Hildreth

Serial No.: 10/828,350

Patent No.: 7,299,596

Issued: November 27, 2007

For: Framing System

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Attorney Docket No: 09-1120

Reel/Frame No.: 021531/0036

PETITION TO EXPUNGE RECORDED ASSIGNMENT

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Attention: Mail Stop Petitions

Dear Sir:

Pursuant to 37 C.F.R. § 1.182, and Manual of Examining Procedure § 323.01(d), Petitioner, John J. Hildreth, hereby petitions the Commissioner to expunge an alleged Patent Assignment (as that term is defined herein) from the assignment of patent rights recorded against the above-captioned United States Patent, for the reasons set forth herein. Attached hereto, and incorporated in this Petition are the following documents in support of this Petition:

1. Declaration of John J. Hildreth dated May 14, 2009, a copy of which is attached hereto as Exhibit A (hereinafter the "Hildreth Declaration");

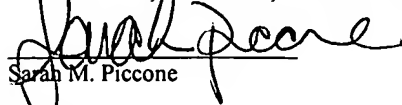
06/12/2009 MBLANCO 00000005 7299596

01 FC:1462

400.00 OP

CERTIFICATE OF EXPRESS MAILING UNDER 37 C.F.R. 1.10

I hereby certify that this correspondence, and all papers and things referred to herein as being attached, enclosed, transmitted, or otherwise submitted, are being transmitted via Express Mail No. EM288695535US, to:, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, Attention: Mail Stop Petitions on the date set forth below.


Sarah M. Piccone

Date: June 9, 2009

2. Letter from Corsair's Counsel to Petitioner's Counsel dated September 3, 2008, a copy of which is attached hereto as Exhibit B (hereinafter the "September 3rd Letter");
3. Letter from Petitioner's Counsel to Corsair's Counsel dated September 19, 2008, a copy of which is attached hereto as Exhibit C (hereinafter the "September 19th Letter"); and
4. Letter from Corsair's Counsel to Petitioner's Counsel dated September 22, 2008, a copy of which is attached hereto as Exhibit D (hereinafter the "September 22nd Letter").

A. STATEMENT OF THE FACTS

1. Patent No. 7,299,596 Chain of Ownership

Petitioner has invented and is the current owner of a new and improved framing system. *Hildreth Declaration* at ¶ 1. On April 21, 2004, Petitioner filed, in the United States Patent and Trademark Office, United States Patent Application Serial No. 10/828,350, entitled "Framing System" (hereinafter the "Application"). *Id.* at ¶ 3.

On August 23, 2004, Petitioner assigned his entire interest in the Application to Engineered Framing Systems, Inc. (hereinafter "Systems"). *Id.* at ¶ 3. The assignment from Petitioner to Systems was recorded in the United States Patent and Trademark Office on August 30, 2004, at Reel No. 015741, Frame No. 0309. *Id.* at ¶ 4.

On October 15, 2007, Systems assigned to Petitioner its entire interest in the Application. *Id.* at ¶ 5. The assignment from Systems to Petitioner was recorded in the United States Patent and Trademark Office on or about October 16, 2007, at Reel No. 019969, Frame No. 0153. *Id.* at ¶ 6.

The Application issued as United States Patent No. 7,299,596 in Petitioner's name on November 27, 2007 (hereinafter the "Patent"). *Id.* at ¶ 1.

2. The Corsair Litigation and Settlement

Corsair Special Situations Fund, L.P. (hereinafter the "Corsair"), EFS Structures, Inc. (hereinafter "Structures"), Systems, and Petitioner were parties to a litigation in the United States District Court for the District of Maryland (Northern Division) entitled *Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc., et al.*, Civil Action No. WDQ-06-2081 (hereinafter the "Litigation"). *Id.* at ¶ 8.

In settlement of the Litigation, Corsair, Structures, Systems, Marie Noelle Hildreth, and Petitioner entered into a Settlement Agreement and General Release dated May 8, 2007, and a First Amendment to Settlement Agreement and General Release dated December 20, 2007 (collectively referred to herein as the "Settlement Agreement"). *Id.* at ¶ 9.

Pursuant to the Settlement Agreement, Corsair and Petitioner entered into a Patent Security Agreement dated December 20, 2007 (hereinafter the "Patent Security Agreement"), in which Petitioner granted to Corsair a security interest in the Patent (hereinafter the "Security Interest"). *Id.* at ¶ 10. The Patent Security Agreement was recorded in the United States Patent and Trademark Office on or about December 26, 2007, at Reel No. 020279, Frame No. 0916. *Id.* at ¶ 11.

A dispute has now arisen between Corsair, Structures, Systems and Petitioner concerning the Security Interest, and such dispute has not yet been resolved. *Id.* at ¶12. In this regard, on or

about May 22, 2008, Corsair recorded in the United States Patent and Trademark Office at Reel No. 021531, Frame No. 0036, what purports to be an assignment of all right, title, and interest in and to the Patent from Petitioner to Corsair (hereinafter the “Patent Assignment”). *Id.* at ¶ 13.

The Patent Assignment was recorded in the United States Patent and Trademark Office neither pursuant to the terms of the Settlement Agreement, nor the Patent Security Agreement, nor with the authorization of Petitioner, the current owner of the Patent. *Id.* at ¶ 14.

In response to Corsair’s recordation of the Patent Assignment in the United States Patent and Trademark Office, Petitioner caused to be recorded through its counsel, at Reel 022597, Frame 0396, a Confirmatory Patent Security Interest to confirm that: (i) Petitioner remains the current owner of the Patent; (ii) the Patent Security Agreement, and underlying Security Interest, recorded on December 26, 2007, in the United States Patent and Trademark Office is subsisting; and (iii) the Patent Assignment filed in the United States Patent and Trademark Office on May 22, 2008, is null and void. *Id.* at ¶ 16.

Upon information and belief, Corsair has now commenced litigation in the United States District Court for the District of Maryland (Northern Division) entitled *Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc., et al.*, in which Structures, Systems, and Petitioner are named defendants, and in which Corsair seeks, among other relief, that the court determine the ownership in the Patent. *Id.* at ¶ 17.

Accordingly, and for the reasons which follow, Petitioner has filed this Petition to expunge the Patent Assignment from the records of the United States Patent and Trademark Office. *Id.* at ¶ 15.

B. POINTS TO BE REVIEWED

In view of the foregoing, and for the reasons which follow, Petitioner respectfully requests that the Director expunge the alleged Patent Assignment from the records of the United States Patent and Trademark Office.

Pursuant to MPEP §323.01(d), Petitions to expunge may be granted if the Petitioner proves that:

- a) the normal corrective procedures outlined in MPEP §323.01(a) through §323.01(c) will not provide the petitioner with adequate relief; and
- b) the integrity of the assignment records will not be affected by granting the petition.

MPEP §323.01(d).

1. The Normal Corrective Procedures of MPEP §323.01 Will Not Provide Petitioner With Adequate Relief

In the instant case, both of the requirements of MPEP §323.01 have been met. First, the applicable corrective procedures outlined in MPEP §323.01(a) through §323.01(c), will not provide Petitioner with adequate relief inasmuch as these sections provide for the correction of *typographical* errors in the cover sheet, the assignment document itself, or by way of improper recordation against the owner's application or patent.

In this case, the improper recordation of the Patent Assignment was not due to a typographical error. Rather, as set forth above, the recordation of the Patent Assignment of Corsair was deliberate. In fact, in the September 3rd Letter, Corsair advised Petitioner that:

Corsair has exercised its rights under the Patent Security Agreement and Settlement Agreement and taken an assignment of Patent No. 7,299,596.

September 3rd Letter at 1.

However, this assignment was “taken” neither pursuant to the terms of the Settlement Agreement, nor the Patent Security Agreement, nor with Petitioner’s authorization. Hildreth Declaration at ¶ 14. Nevertheless, in the September 19th Letter, Petitioner affirmatively disputed Corsair’s position by stating that:

the document filed by Corsair with the United States Patent and Trademark Office does not give Corsair any right of ownership in the Patent.

September 19th Letter at 1.

In addition, and consistent with the provisions of MPEP §323.01(c), Petitioner further demanded that:

Corsair immediately withdraw its filing with the United States Patent and Trademark Office purporting to assign patent no. 7,299,596 to Corsair.

Id. at 2.

To date, Corsair has been unwilling to file, and in fact has not filed, any corrective papers in the United States Patent and Trademark Office. For example, in the September 22nd Letter, Corsair disagreed “with the factual assertions set forth in [Petitioner’s September 19th Letter],” and since has not complied with Petitioner’s demand to withdraw the Patent Assignment.

Thus, it is clear that the recordation of the Patent Assignment against United States Patent No. 7,299,596, was not the result of a typographical error, rather it was a deliberate effort on the part of Corsair to make a claim ownership in the Patent. Moreover, Petitioner has demanded that Corsair withdraw the Patent Assignment from the records of the United States Patent and

Trademark Office -- to no avail. Accordingly, the provisions of MPEP §323.01(a) through MPEP §323.01(c) can not, and will not, provide Petitioner with adequate relief in correcting the records of the United States Patent and Trademark Office to reflect Petitioner, and not Corsair, as the proper owner of the Patent.

2. *The Integrity of the Office's Records Will Not Be Affected By Granting This Petition*

Granting a petition to expunge the assignment records of the United States Patent and Trademark Office under MPEP §323.01(d) further requires that the Petitioner prove that the integrity of the assignment records will not be affected by granting the petition. MPEP §323.01(d)(B). In the instant case, it is clear that expungement will not adversely affect the integrity of the records of the United States Patent and Trademark Office. In fact, the integrity of the records will be, in actuality, enhanced with added accuracy by correcting the identity of the current owner of the Patent. In this regard, the removal of any inaccurate, erroneous, false, or fraudulent conveyance from the Office's records can only improve, and certainly not detract from, the integrity of the Office's records.

Moreover, the commencement of a second litigation involving Petitioner in which Corsair seeks a declaration of ownership in the Patent further evidences that the legitimacy of the alleged assignment of the Patent from Petitioner to Corsair is still in question. Inasmuch as the transfer of ownership of the Patent to Corsair is at all in doubt conclusively demonstrates that the recordation of the Patent Assignment to Corsair is, at best, premature. Accordingly, expungement of the Patent Assignment at this time will not adversely affect the integrity of the records of the United States Patent and Trademark Office.

As a result of Corsair's unwillingness to comply with Petitioner's demand to withdraw the Patent Assignment, Petitioner recorded the Confirmatory Patent Security Interest. Although the Confirmatory Patent Security Interest makes clear that Petitioner is the record owner of the Patent, and that the Patent Assignment is null and void, the chain of title as it is recorded in the United States Patent and Trademark Office is inaccurate and misleading to the public. Unless and until the Patent Assignment is expunged for the records of the United States Patent and Trademark Office, the public will continue to be misled as to the identity of the true owner of the Patent.

Accordingly, the Patent Assignment must be expunged from the records of the United States Patent and Trademark Office under MPEP §323.01(d) inasmuch as Petitioner has shown that: (i) the normal corrective procedures of MPEP §323.01 will not provide Petitioner with adequate relief; and (ii) the integrity of the Office's records will not be affected by granting this Petition.

C. ACTION REQUESTED

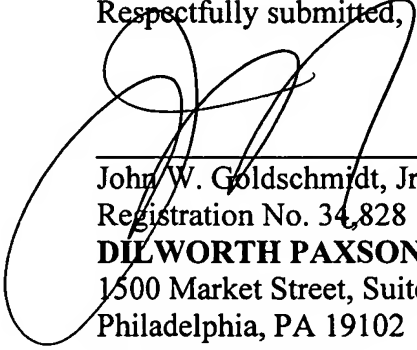
Petitioner respectfully requests that the Patent Assignment filed by Corsair be expunged from the records of the United States Patent and Trademark Office. Petitioner further requests that all links to the Patent be deleted so that no information about the recorded Patent Assignment will appear when the application or patent number associated with the Patent is searched in the Assignment Historical Database.

This Petition is also accompanied by the petition fee required by Rule 1.17(f) (37 C.F.R. § 1.17(f)).

The Commissioner is hereby authorized to charge any deficiencies or credit any overpayment related to this submission to Deposit Account Number 50-0979.

Respectfully submitted,

Date: **June 9, 2009**



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Philadelphia, PA 19102
Tel. (215) 575-7000
Fax (215) 575-7200

Attorneys for Petitioner

EXHIBIT A



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent of:

John Hildreth

Serial No.: 10/828,350

Patent No.: 7,299,596

Issued: November 27, 2007

For: Framing System

Attorney Docket No: 09-1120

Reel/Frame No.: 021531/0036

DECLARATION OF JOHN J. HILDRETH

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

I, John J. Hildreth, hereby declare that:

1. I am the inventor and current owner of the invention claimed in United States Patent No. 7,299,596, issued by the United States Patent and Trademark Office on or about November 27, 2007, entitled "Framing System" (hereinafter the "Patent").

2. I was previously the President of Engineered Framing Systems, Inc. (hereinafter "Systems"), and am currently the Operations President and General Manager of EFS Structures, Inc. (hereinafter "Structures").

3. On or about August 23, 2004, I assigned to Systems my interest in United States Patent Application Serial No. 10/828,350 (hereinafter the "Application"), which Application was filed on or about April 21, 2004, and later issued as the Patent in my name.

4. Upon information and belief, the assignment from me to Systems was recorded in the United States Patent and Trademark Office on or about August 30, 2004, at Reel No. 015741, Frame No. 0309.

5. On or about October 15, 2007, Systems assigned to me its interest in the Application.

6. Upon information and belief, the assignment from Systems to me was recorded in the United States Patent and Trademark Office on or about October 16, 2007, at Reel No. 019969, Frame No. 0153.

7. Upon information and belief, Corsair Special Situations Fund, L.P. is a Delaware Limited Partnership having a business location at 747 Third Avenue, 38th Floor, New York, NY 10017 (hereinafter "Corsair").

8. Corsair, Structures, Systems, and I were parties to a litigation in the United States District Court for the District of Maryland (Northern Division) entitled *Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc., et al.*, Civil Action No. WDQ-06-2081 (hereinafter the "Litigation").

9. In settlement of the Litigation, Corsair, Structures, Systems, my spouse, Marie Noelle Hildreth, and I entered into a Settlement Agreement and General Release dated May 8, 2007, and a First Amendment to Settlement Agreement and General Release dated December 20, 2007 (collectively referred to herein as the "Settlement Agreement").

10. Pursuant to the Settlement Agreement, Corsair and I entered into a Patent Security Agreement dated December 20, 2007 (hereinafter the "Patent Security Agreement"), in which I granted to Corsair a security interest in the Patent (hereinafter the "Security Interest").

11. Upon information and belief, the Patent Security Agreement was recorded in the United States Patent and Trademark Office on or about December 26, 2007, at Reel No. 020279, Frame No. 0916.

12. A dispute has arisen between Corsair, Structures, Systems and I concerning the Security Interest, and such dispute has not yet been resolved.

13. Upon information and belief, on or about May 22, 2008, Corsair recorded in the United States Patent and Trademark Office at Reel No. 021531, Frame No. 0036, what purports to be an assignment of all right, title, and interest in and to the Patent from me to Corsair (hereinafter the "Patent Assignment"). A copy of the Patent Assignment is attached hereto as Exhibit 1.

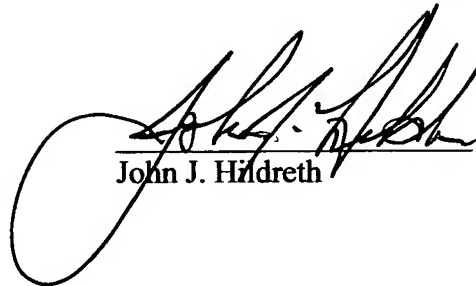
14. Upon information and belief, the Patent Assignment was recorded in the United States Patent and Trademark Office neither pursuant to the terms of the Settlement Agreement, nor the Patent Security Agreement, nor with my authorization.

15. Accordingly, I am taking steps to expunge the Patent Assignment from the records of the United States Patent and Trademark Office.

16. In response to Corsair's recordation of the Patent Assignment in the United States Patent and Trademark Office, I caused to be recorded, through my counsel, at Reel 022597, Frame 0396, a Confirmatory Patent Security Interest to confirm that (i) I remain the current owner of the Patent; (ii) the Patent Security Agreement, and underlying Security Interest, recorded on December 26, 2007, in the United States Patent and Trademark Office is subsisting; and (iii) the Patent Assignment filed in the United States Patent and Trademark Office on May 22, 2008, is null and void.

17. Upon information and belief, Corsair has now commenced litigation in the United States District Court for the District of Maryland (Northern Division) entitled *Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc., et al.*, in which Structures, Systems, and I are named defendants, and in which Corsair seeks, among other relief, that the court determine the ownership in the Patent.

I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; that these statements were made with knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. § 1001; and that such willful false statements and the like may jeopardize the validity of the Patent.



John J. Hindreth

Date: **May 14, 2009**

EXHIBIT 1

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
John Hildreth	12/20/2007
RECEIVING PARTY DATA	
Name:	Corsair Special Situations Fund, L.P.
Street Address:	747 Third Avenue
Internal Address:	38th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10017
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	7299596
CORRESPONDENCE DATA	
Fax Number:	(202)756-9299
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	4103853426
Email:	matthew.mayer@thomson.com
Correspondent Name:	Miles & Stockbridge P.C.
Address Line 1:	10 Light Street
Address Line 4:	Baltimore, MARYLAND 21202
NAME OF SUBMITTER:	Matthew Mayer
Total Attachments: 7 source=JHildreth_corsair_pat1#page2.tif source=JHildreth_corsair_pat1#page3.tif source=JHildreth_corsair_pat1#page4.tif source=JHildreth_corsair_pat1#page5.tif source=JHildreth_corsair_pat1#page6.tif source=JHildreth_corsair_pat1#page7.tif	

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PATENT
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PATENT
REEL: 020279 FRAME: 0917

This Agreement, dated as of December 28th, 2007 is made by and between John Hildroth having a residence at the address set forth below next to his signature (the "Borrower"), and Corsair Special Situations Fund, L.P. a Delaware. Delaware limited partnership having a business location at the address set forth below next to its signature (the "Secured Party").

"Patents" means all of the Borrower's right, title and interest in and to all presently existing or hereafter arising or acquired and patents or applications for patents, including without limitation the patents listed on Exhibit A attached hereto, and further including, without limitation, (a) to or under any or all of the foregoing the foregoing (i) any and all inventions and improvements described or claimed, (ii) divisions, continuations, continuations-in-part, reissues and extensions, (iii) income, royalties, damages, claims and payments now or hereafter due and/or payable, including, without limitation, damages and payments for past and future infringements, (iv) rights to sue for past, present and future infringements, and (v) all rights corresponding to any of the foregoing throughout the world, and (b) with

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PATENT
REEL: 020279 FRAME: 0918

respect to or under any or all of the foregoing, all general intangibles, and (c) with respect to or under any or all of the foregoing, all proceeds (cash and noncash).

"Security Interest" has the meaning given in Section 2 herein below.

2. Security Interest. The Borrower hereby irrevocably pledges and assigns to, and grants the Secured Party a security interest (the "Security Interest") with power of sale to the extent permitted by law, in the Patents whether or not registered with the U.S. Patent and Trademark Office to secure payment of the Obligations. As set forth in the Settlement Agreement, the Security Interest is coupled with a security interest in substantially all of the personal property of the Borrower. This Agreement grants only the Security Interest herein described, is not intended to and does not affect any present transfer of title of any patent or application.

3. Representations, Warranties and Agreements. The Borrower represents, warrants and agrees as follows:

(a) Patents. Exhibit A accurately lists all Patents owned or controlled by the Borrower as of the date hereof, or to which the Borrower has a right as of the date hereof to have assigned to it, and accurately reflects the existence and status of applications and letters patent pertaining to the Patents as of the date hereof. If after the date hereof, the Borrower owns, controls or has a right to have assigned to it any Patents not listed on Exhibit A, or if Exhibit A ceases to accurately reflect the existence and status of applications and letters patent pertaining to the Patents, then the Borrower shall within five (5) business days provide written notice to the Secured Party with a replacement Exhibit A, which upon acceptance by the Secured Party shall become part of this Agreement.

(c) Title. The Borrower has absolute title to each Patent listed on Exhibit A free and clear of all liens other than the liens granted to Secured Party. The Borrower (i) will have, at the time the Borrower acquires any rights in Patents hereafter arising, absolute title to each such Patent free and clear of all liens except the liens granted to Secured Party, and (ii) will keep all Patents free and clear of all liens except the liens granted to Secured Party.

(f) No Sale. Except as permitted in the Settlement Agreement, the Borrower will not assign, transfer, encumber or otherwise dispose of the Patents, or any interest therein, without the Secured Party's prior written consent, except that the Borrower may license the use of the Patents in connection with, and as customary in, the ordinary course of its business.

(g) Defense. The Borrower will at its own expense and using commercially reasonable efforts, protect and defend the Patents against all claims or demands of all Persons.

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(h) **Maintenance.** The Borrower will at its own expense maintain the Patents, including, but not limited to, filing all applications to obtain letters patent or registrations and all affidavits, maintenance fees, annuities, and renewals possible with respect to letters patent registrations and applications therefore. The Borrower covenants that it will not abandon nor fail to pay any maintenance fee or annuity due and payable on any Patent, nor fail to file any required affidavit or renewal in support thereof, and (ii) a Secured Party is hereby granted an irrevocable power of attorney to pay such maintenance fees or annuities, or to file such affidavit or renewal, should Borrower fail to do so and should Secured Party (in its sole reasonable discretion) deem such be necessary or desirable.

(i) **Secured Party's Right to Take Action.** If the Borrower fails to perform or observe any of its covenants or agreements set forth in this Section 3, or if the Borrower notifies the Secured Party that it intends to abandon a Patent or Trademark, the Secured Party may (but need not) perform or observe such covenant or agreement or take steps to prevent such intended abandonment on behalf and in the name, place and stead of the Borrower (or, at the Secured Party's option, in the Secured Party's own name) and may (but need not) take any and all other actions which the Secured Party may reasonably deem necessary to cure or correct such failure or prevent such intended abandonment.

(j) **Costs and Expenses.** Except to the extent that the effect of such payment would be to render any loan or forbearance of money usurious or otherwise illegal under any applicable law, the Borrower shall pay the Secured Party on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and disbursements) incurred by the Secured Party in connection with or as a result of the Secured Party's taking action under subsection (i) above, together with interest thereon from the date expended or incurred by the Secured Party.

(k) **Power of Attorney.** To facilitate the Secured Party's taking action under subsection (i) and exercising its rights under Section 6 and otherwise, the Borrower hereby irrevocably appoints (which appointment is coupled with an interest) the Secured Party, or its delegate, as the attorney-in-fact of the Borrower with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file, in the name and on behalf of the Borrower, any and all instruments, documents, applications, financing statements, and other agreements and writings required to be obtained, executed, delivered or endorsed by the Borrower under this Section 3, or, necessary for the Secured Party, after a Default under the Settlement Agreement or Event of Default hereunder, to enforce or use the Patents or to grant or issue any exclusive or non-exclusive license under the Patents to any third party, or to sell, assign, transfer, pledge, encumber or otherwise transfer title in or dispose of the Patents to any third party. The Borrower hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted herein shall terminate upon the termination of the Settlement Agreement as

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provided therein and the indefeasible payment and performance in full of all Obligations as defined under the Settlement Agreement.

4. Borrower's Use of the Patents. The Borrower shall be permitted to control and manage the Patents, including the right to exclude others from making, using or selling items covered by the Patents and any licenses thereunder (but not in any manner which is materially adverse to the interests of the Secured Party), so long as no Event of Default occurs and remains uncured.

5. Events of Default. Each of the following occurrences shall constitute an event of default under this Agreement (herein called "Event of Default"): (a) a default shall occur and be continuing under the Settlement Agreement; or (b) the Borrower shall fail promptly to observe or perform any covenant or agreement herein binding on it and such failure continues for a period of 10 business days after receipt of notice as set forth in the First Amendment to Settlement Agreement and General Release; or (c) any of the representations or warranties contained in Section 3 shall prove to have been incorrect in any material respect when made.

6. **Remedies.** Upon the occurrence of an Event of Default and at any time thereafter, the Secured Party may, at its option, take any or all of the following actions:

(a) The Secured Party may exercise any or all remedies available under the Settlement Agreement.

(b) The Secured Party may sell, assign, transfer, pledge, license, or encumber or otherwise dispose of the Patents.

(c) The Secured Party may enforce the Patents and any licenses thereunder, and if Secured Party shall commence any suit for such enforcement, the Borrower shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents required by Secured Party in aid of such enforcement.

7. Miscellaneous. This Agreement and the Settlement Agreement set forth the entire understanding and agreement of the parties hereto with respect to the subject matter hereof. This Agreement can be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Secured Party. A waiver signed by the Secured Party shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any of the Secured Party's rights or remedies. All rights and remedies of the Secured Party shall be cumulative and are in addition to, and not exclusive of, rights, powers and remedies provided by present and future laws, rules and regulations and/or by the Settlement Agreement and any other documents executed in connection therewith or the Obligations, and may be exercised singularly or concurrently, at the Secured Party's option, and the exercise or enforcement of any one such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other. All notices to be given to Borrower under this Agreement shall be given in the manner and with the

effect provided in the Settlement Agreement. The Secured Party shall not be obligated to preserve any rights the Borrower may have against prior parties, to realize on the Patents in all or in any particular manner or order, or to apply any cash proceeds of Patents in any particular order of application. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Secured Party and their respective participants, successors and assigns and shall take effect when signed by the Borrower and delivered to the Secured Party, and the Borrower waives notice of the Secured Party's acceptance hereof. The Secured Party may execute this Agreement if appropriate for the purpose of filing, but the failure of the Secured Party to execute this Agreement shall not affect or impair the validity or effectiveness of this Agreement. A carbon, photographic or other reproduction of this Agreement or of any financing statement signed by the Borrower shall have the same force and effect as the original for all purposes of a financing statement. This Agreement shall be governed by the internal law of New York without regard to conflicts of law provisions. If any provision or application of this Agreement is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Agreement shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby. All representations and warranties contained in this Agreement shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations.

8. WAIVER OF JURY TRIAL. THE PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR PERTAINING TO THIS AGREEMENT.

(Case: 09-1120, 09-1120-1, 09-1120-2, 09-1120-3, 09-1120-4, 09-1120-5, 09-1120-6, 09-1120-7, 09-1120-8, 09-1120-9, 09-1120-10, 09-1120-11, 09-1120-12, 09-1120-13, 09-1120-14, 09-1120-15, 09-1120-16, 09-1120-17, 09-1120-18, 09-1120-19, 09-1120-20, 09-1120-21, 09-1120-22, 09-1120-23, 09-1120-24, 09-1120-25, 09-1120-26, 09-1120-27, 09-1120-28, 09-1120-29, 09-1120-30, 09-1120-31, 09-1120-32, 09-1120-33, 09-1120-34, 09-1120-35, 09-1120-36, 09-1120-37, 09-1120-38, 09-1120-39, 09-1120-40, 09-1120-41, 09-1120-42, 09-1120-43, 09-1120-44, 09-1120-45, 09-1120-46, 09-1120-47, 09-1120-48, 09-1120-49, 09-1120-50, 09-1120-51, 09-1120-52, 09-1120-53, 09-1120-54, 09-1120-55, 09-1120-56, 09-1120-57, 09-1120-58, 09-1120-59, 09-1120-60, 09-1120-61, 09-1120-62, 09-1120-63, 09-1120-64, 09-1120-65, 09-1120-66, 09-1120-67, 09-1120-68, 09-1120-69, 09-1120-70, 09-1120-71, 09-1120-72, 09-1120-73, 09-1120-74, 09-1120-75, 09-1120-76, 09-1120-77, 09-1120-78, 09-1120-79, 09-1120-80, 09-1120-81, 09-1120-82, 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IN WITNESS WHEREOF, the parties have executed this Patent Security Agreement as of the date written above.

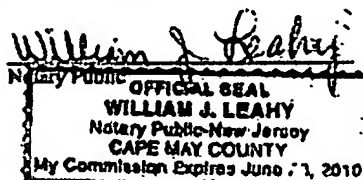
7811 Fieldstone Court
Ellicott City, MD 21043

38th Floor
747 Third Avenue
New York, NY 10017

STATE OF New Jersey
COUNTY OF Cape May

I hereby certify the undersigned Notary Public of the State of New Jersey that personally appeared John J. Hildreth known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument; foregoing instrument and was executed before me this 20th day of December 2007.

STATE OF NEW YORK
COUNTY OF NEW YORK



The foregoing instrument was acknowledged before me this 27 day of December 2007, by Charles E. Cheever a Managing Member of a Corsair Special Situations Fund, L.P. Delaware limited partnership, on behalf of the limited partnership

Notary Public

Avery Blaney
NOTARY PUBLIC, STATE OF NEW YORK
No. 01BL8183606
Qualified in New York County
Commission Expires 03/26/2011

Law (Barbara) (844-751-3234) (11-00000012710750)

EXHIBIT A

LIST OF US PATENTS

TITLE:

PAT #	ISSUE DATE	APPLICATION #	FILING DATE
7,299,596	November 27, 2007	10/828,350	April 21, 2004

(For Display) (999-771) (2007-04-27) (07/22/12) (V.1)

7

RECORDED: 12/26/2007

PATENT
REEL: 020279 FRAME: 0924

EXHIBIT B

MILES & STOCKBRIDGE P.C.

Matthew S. Sturtz
(410) 823-8151
msturtz@milesstockbridge.com

September 3, 2008

VIA FACSIMILE

Ronald L. Tobia, Esquire
Tobia & Sorger Esqs., LLC
500 Supor Boulevard
Harrison, New Jersey 07029

Re: *Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc.*

Dear Ron:

As you will recall, your clients, John J. Hildreth, Marie Noelle Hildreth, Engineered Framing Systems, Inc. ("EFS") and EFS Structures, Inc. ("Structures"), signed a First Amendment to Settlement Agreement and General Release on December 20, 2007, accompanied by a Patent Security Agreement of the same date. On April 11, 2008, I sent to you, via Federal Express, a notice of default providing your clients with notice of, among other things, payment default and allowing them the contractually agreed upon ten (10) day cure period to remedy their defaults.

To date, your clients are either unwilling or unable to remedy the defaults. Corsair Special Situations Fund, L.P. ("Corsair") has not received any payments or a bona fide commitment letter from a third-party lender or investor.

The purpose of this letter is to advise you and your clients that Corsair has exercised its rights under the Patent Security Agreement and Settlement Agreement and taken an assignment of Patent No. 7,299,596. This assignment included, without limitation, (a) any and all inventions and improvements described or claimed, (b) divisions, continuations-in-part, reissues and extensions, and (c) all rights corresponding to any of the foregoing throughout the world (altogether, the "Patent"). The assignment was accomplished on May 22, 2008. Please be advised that your clients, including EFS and Structures, have **NO FURTHER RIGHTS IN OR TO THE PATENT, INCLUDING, BUT NOT LIMITED TO, OFFERING, ENCUMBERING, PLEDGING, ASSIGNING, OR ENTERING INTO LICENSE AGREEMENTS WITH THIRD-PARTIES FOR THE USE OF THE PATENT OR THE PROCESSES IDENTIFIED THEREIN.** To be clear, if your clients intend to use the

Ronald L. Tobia, Esquire
September 3, 2008
Page: 2

MILES & STOCKBRIDGE P.C.

Patent in their ongoing business operations, then they will need to negotiate a license with Corsair going forward.

Please direct Mr. Hildreth to immediately provide to us a listing of all licenses or other encumbrances presently existing relating to the Patent, including a breakdown of all fees that he or his companies, EFS or Structures, have received and/or expect to receive from the use of the Patent.

I look forward to hearing from you.

Very truly yours.

EXHIBIT C

C

DIRECT DIAL NUMBER:
(215) 575-7158

Thomas Vecchio
tvecchio@dilworthlaw.com

September 19, 2008

VIA FACSIMILE AND E-MAIL

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Suite 900
Towson, Maryland 21204-5076

RE: Corsair Special Situations Fund, L.P. v. Engineered Framing Systems, Inc.

Dear Mr. Sturtz:

Please be advised that we represent John J. Hildreth, Marie Noelle Hildreth, Engineered Framing Systems, Inc. and EFS Structures, Inc. (the "EFS Parties") with respect to the above-referenced litigation against Corsair Special Situations Fund, L.P. ("Corsair"). Your letters of September 3 and September 17, 2008 have been forwarded to me. I have also read and analyzed the Settlement Agreement and Release, the First Amendment to the Settlement Agreement and General Release ("Amendment") and the Patent Security Agreement ("PSA").

We disagree that Paragraph 2(b) of the Amendment operates as a proper assignment of patent no. 7,299,596 (the "Patent"). An agreement to assign a patent in the future has been held distinguishable from a present assignment of a patent effective to transfer all legal and equitable rights therein to the assignee and extinguish all rights of the assignor. *Arachnid v. Merit Industries, Inc.*, 939 F.2d 1574 (Fed. Cir. 1991). Furthermore, the document filed by Corsair with the United States Patent and Trademark Office does not give Corsair any right of ownership in the Patent. The Code of Federal Regulations clearly states the recording of a patent assignment by the U.S. Patent and Trademark Office "is not a determination by the Office of the validity of the document [assigning the patent] or the effect that document has on the title to ... a patent." 37 C.F.R. §3.54. Therefore, regardless of the claims in your letters or your filings with the United States Patent and Trademark Office, Corsair is not the owner of the Patent and has no rights to license and/or use the Patent.

Additionally, even assuming solely for the purposes of argument, that the PSA and Amendment could operate to assign the Patent to Corsair, such assignment could only occur after a breach of the Amendment. In the instant case, Corsair breached Section 1(b) of the Amendment by unreasonably refusing to subordinate its lien position to enable the EFS Parties to obtain receivable/factoring financing. This material breach of the Amendment excused the EFS Parties' performance. Therefore, because it was Corsair and not the EFS Parties who are in breach of the Amendment, Section 2(b) has not been triggered.

September 19, 2008

To: Matthew S. Sturtz, Esq.

Corsair's conduct to date, including but not limited to the recording of the June 6, 2007 judgment in New Jersey, rises to the level of unfair debt collection practices. Due to the serious nature of this matter, the EFS Parties demand that Corsair immediately withdraw its filing with the United States Patent and Trademark Office purporting to assign patent no. 7,299,596 to Corsair. We also request a meeting with you to further discuss this matter.

Nothing in this letter shall be deemed as a waiver or limitation of any rights or remedies of the EFS Parties, all such rights and remedies being expressly preserved.

Very truly yours,

Thomas Vecchio

EXHIBIT D